

Message Text

CONFIDENTIAL

PAGE 01 KUWAIT 03665 031417Z

65

ACTION NEA-10

INFO OCT-01 NEAE-00 PM-04 NSC-05 SP-02 SS-15 L-03 H-02

CIAE-00 INR-07 NSAE-00 EB-07 MC-02 ACDA-07 TRSE-00

OMB-01 IGA-02 AID-05 ISO-00 /073 W

----- 115845

P R 031245Z AUG 76

FM AMEMBASSY KUWAIT

TO SECSTATE WASHDC PRIORITY 5898

SECDEF WASHDC//ISA//DSAA PRIORITY

INFO USCINCEUR VAIHINGEN

C O N F I D E N T I A L KUWAIT 3665

E.O. 11652: GDS

TAGS: MASS, KU

SUBJ: FMS CASE UCY

REFS: A) STATE 176166, B) KUWAIT 3441

1. AT MY REQUEST, I MET WITH DEFMIN SHAIKH SA'AD AUG 2 TO IMPRESS HIM WITH URGENT NECESSITY FOR GOK TO SIGN AND FUND FMS CASE UCY. (MAY DEMARCHE WAS FOLLOW-UP TO LENGTHY JULY 21 LETTER TO HIM WHICH TOLD HIM THAT THIS MATTER WAS URGENT AND CAUTIONED HIM THAT FAILURE TO SIGN UCY THIS MONTH NOT ONLY WOULD UNDULY DELAY DATE ON WHICH IHAWK SYSTEM COULD BE MADE OPERATIONAL, AS WELL AS UNDOUBTEDLY RESULT IN HIGHER COSTS.

2. I TILD SHAIKH SA'AD THAT, IN RESPONSE TO KUWAITI CONCERNS, DOD-STATE REVIEW IN DEPTH WITH RAYTHEON HAD RESULTED IN \$7.2 MILLION REDUCTION WHICH RAISED TOTAL REDUCTION OF ORIGINAL UCY CASE COST TO \$13 MILLION. THIS WAS SIZEABLE SUM AND, IN OPINION OF DOD AND DEPT, PRESENT PRICE WAS LEGITIMATE AND FAIR ONE AND BEST THAT COULD BE DONE FOR THIS CASE. I CITED EXAMPLES OF THE INTRICATE AND MUTUALLY DEPENDENT PRODUCTION TIMETABLES AND DELIVERY AND TRAINING SCHEDULES WHICH, IF UCY WERE NOT TO BE SIGNED AND FUNDED BEFORE END OF AUGUST, WOULD HAVE TO BE ABANDONED WITH RESULTANT DELAYS AND POTENTIALLY HIGHER COSTS. THIS WOULD MAKE IT IMPOSSI-
CONFIDENTIAL

CONFIDENTIAL

PAGE 02 KUWAIT 03665 031417Z

BLE TO RENDER THE IHAWK SYSTEM OPERATIONAL, EVEN THOUGH MISSILES

THEMSELVES WOULD BE DELIVERED ON SCHEDULE. I LEFT WITH SHAIKH SA'AD A FACT SHEET DESIGNED TO PRESENT IN SIMPLE TERMS THE ELEMENTS FORMING UCY CASE AND TO POINT UP THEIR INTERDEPENDENCE WITH OTHER STEPS NEEDED TO BE UNDERTAKEN TO MAKE IHAWK SYSTEM OPERATIONAL. BECAUSE SHAIKH SA'AD SEEMED NOT FULLY TO COMPREHEND WHAT WAS INVOLVED, I STRESSED AGAIN AND AGAIN THE IMPORTANCE OF MAINTAINING THIS COORDINATED SCHEDULE OF ACTIONS - OF WHICH KEY WAS UCY CASE - IN ORDER TO IMPLEMENT IHAWK SYSTEM.

3. HAVING IN MIND KUWAITI SUSPICION THAT RAYTHEON WAS OVERCHARGING THEM FOR THE TECHNICAL ASSISTANCE PORTION OF CASE UCY, I POINTED OUT THAT WHAT GOK WAS PURCHASING WAS NOT SIMPLY SERVICES OF INDIVIDUAL TECHNICIANS, BUT WAS, IN FACT, PAYING NOT ONLY FOR THEIR INDIVIDUAL EXPERTISE BUT ALSO FOR THE HIGHLY SOPHISTICATED TECHNOLOGY PROVIDED BY ONE OF THE TOP AMERICAN COMPANIES IN THIS FIELD.

4. DEFMIN SEEMED FINALLY TO UNDERSTAND THE URGENCY OF THE MATTER AND PROMISED THAT HE WOULD CONSULT WITH HIS ADVISERS (INCLUDING EGYPTIAN GRIGADIER MUSTAPHA AND LT. COL. ABDUL AZZIZ AL-SAYEGH) ON SATURDAY, AUG 7, AND WOULD LET ME KNOW RESULTS OF THIS CONSULTATION. BECAUSE TIME IS GETTING SHORT, I PRESSED HIM FOR DATE THIS INFORMATION WOULD BE PROVIDED AND HE AGREED TO COMMUNICATE WITH ME ON AUG 10 OR 11. I EXPRESSED MY APPRECIATION FOR HIS GIVING ME TIME TO MAKE THIS PRESENTATION BECAUSE I KNEW OF HIS HEAVY INVOLVEMENT WITH CONCERNS HE HAD WHEN HE WORE HIS OTHER KAFFAYAH AS MINISTER OF INTERIOR.

5. COMMENT: DEFMIN, UNFORTUNATELY, DID NOT APPEAR TO BE AT ALL WELL BRIEFED ON SUBSTANCE OR URGENCY OF UCY CASE, DESPITE MY LETTER OF JULY 21 AND LONG HISTORY OF STAFF LEVEL DISCUSSIONS BOTH HERE AND IN WASHINGTON. HE APPEARED TO BE A MAN DISTRACTED BY OTHER MATTERS WHICH PRESUMABLY RELATE TO KUWAITI INTERNAL SECURITY PROBLEMS. I WAS THUS UNABLE TO GET ANY SATISFACTORY READING OF HIS OWN PERSONAL REACTION TO THIS KEY FMS CASE, BUT AT LEAST HAVE HIS COMMITMENT TO REVIEW THE MATTER WITH HIS STAFF AND COMMUNICATE WITH ME NEXT WEEK.
MAESTRONE

CONFIDENTIAL

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: AGREEMENTS, MILITARY SALES, PRICES
Control Number: n/a
Copy: SINGLE
Draft Date: 03 AUG 1976
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: GolinoFR
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1976KUWAIT03665
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Film Number: D760298-1182
From: KUWAIT
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1976/newtext/t19760893/aaaaddoz.tel
Line Count: 98
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION NEA
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: 76 STATE 176166, 76 KUWAIT 3441
Review Action: RELEASED, APPROVED
Review Authority: GolinoFR
Review Comment: n/a
Review Content Flags:
Review Date: 15 JUN 2004
Review Event:
Review Exemptions: n/a
Review History: RELEASED <15 JUN 2004 by BoyleJA>; APPROVED <16 JUN 2004 by GolinoFR>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
04 MAY 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: FMS CASE UCY
TAGS: MASS, KU
To: STATE DOD
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006